

SENATE BILL NO. 514

INTRODUCED BY L. GROSFIELD

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING TAX LAWS BY REQUIRING THAT INFORMATION AGENTS REPORT PROCEEDS FROM REAL ESTATE TRANSACTIONS THAT UNDER RULES OR REGULATIONS OF THE INTERNAL REVENUE SERVICE ARE REQUIRED TO BE REPORTED; ALLOWING THE DEPARTMENT OF REVENUE TO PROVIDE MORE METHODS OF REPORTING BY INFORMATION AGENTS; PROVIDING A PENALTY; ~~PROVIDING THAT CONSIDERATION MUST BE DISCLOSED ON A REALTY TRANSFER CERTIFICATE ON TRANSFERS OF NONQUALIFIED AGRICULTURAL LAND;~~ REQUIRING A REPORT TO THE REVENUE AND TAXATION INTERIM COMMITTEE; AMENDING SECTION ~~SECTIONS~~ SECTION ~~15-7-307 AND~~ 15-30-301, MCA; AND PROVIDING AN EFFECTIVE DATE AND A TERMINATION DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

~~SECTION 1. SECTION 15-7-307, MCA, IS AMENDED TO READ:~~

~~"15-7-307. Certificate -- exceptions.~~ The certificate imposed by this part applies to all transfers. However, the certificate filed for the following transfers need not disclose the consideration paid or to be paid for the real estate transferred:

~~(1) an instrument recorded prior to July 1, 1975;~~

~~(2) the sale of agricultural land when the land is used for agricultural purposes, but nonqualified agricultural land described in 15-6-133(1)(c) is not exempt from the disclosure of consideration under this section;~~

~~(3) the sale of timberland when the land is used for producing timber;~~

~~(4) a transfer by the United States of America, this state, or any instrumentality, agency, or subdivision thereof;~~

~~(5) an instrument which that, (without added consideration), confirms, corrects, modifies, or supplements a previously recorded instrument;~~

~~(6) a transfer pursuant to court decree;~~

~~(7) a transfer pursuant to mergers, consolidations, or reorganizations of corporations, partnerships,~~

1 ~~or other business entities;~~
 2 ~~—— (8) a transfer by a subsidiary corporation to its parent corporation without actual consideration~~
 3 ~~or in sole consideration of the cancellation or surrender of subsidiary stock;~~
 4 ~~—— (9) a transfer of decedents' estates;~~
 5 ~~—— (10) a transfer of a gift;~~
 6 ~~—— (11) a transfer between husband and wife or parent and child with only nominal actual~~
 7 ~~consideration therefor;~~
 8 ~~—— (12) an instrument the effect of which is to transfer the property to the same party or parties;~~
 9 ~~—— (13) a sale for delinquent taxes or assessments, sheriff sale, bankruptcy action, or mortgage~~
 10 ~~foreclosure;~~
 11 ~~—— (14) a transfer made in contemplation of death."~~

12

13 **Section 1.** Section 15-30-301, MCA, is amended to read:

14 **"15-30-301. Information agents' duties.** (1) Every information agent shall make a return to the
 15 department of complete information concerning the following distributions made for any individual during
 16 the ~~taxable~~ tax year upon which no withholding tax has been deducted:

17 (a) sums in excess of \$10 distributed as dividends, interest as defined in section 6049 of the
 18 Internal Revenue Code of 1965 or as that section may be amended, royalties, and payments made under
 19 a retirement plan covering an owner-employee as defined in section 401(c)(3) of the Internal Revenue Code
 20 of 1965 or as that section may be amended;

21 (b) all interest income in excess of \$10 from obligations of another state and a county,
 22 municipality, district, or other political subdivision of that state;

23 (c) interest, other than that specified in subsections (1)(a) and (1)(b), rents, salaries, wages, prizes,
 24 awards, annuities, pensions, and other fixed or determinable gains, profits, and income in excess of \$600,
 25 except interest coupons payable to the bearer;

26 (d) proceeds from real estate transactions that under rules or regulations of the internal revenue
 27 service are required to be reported.

28 (2) The return should be made under the regulations and in the form and manner prescribed by
 29 the department; ~~provided, however, that for~~ For ease of reporting, the form ~~shall~~ should be ~~as nearly~~
 30 ~~identical to the comparable federal form as possible~~ or the department may allow submission of a copy

1 of the federal form or submission by magnetic media or in electronic format.

2 (3) Notwithstanding the provisions of 15-30-321, an information agent who fails to file a return
3 under the provisions of subsection (1)(d) is subject only to a penalty of \$50 a return."

4

5 NEW SECTION. SECTION 2. REPORT TO REVENUE AND TAXATION INTERIM COMMITTEE. THE DEPARTMENT OF
6 REVENUE SHALL MONITOR THE REPORTS FILED PURSUANT TO 15-30-301(1)(D) AND REPORT TO THE REVENUE AND
7 TAXATION INTERIM COMMITTEE, ON A PERIODIC BASIS, THE RESULTS OF REQUIRING THE REPORTING AND ANY OTHER
8 FACTORS THE DEPARTMENT MAY NOTICE AS A RESULT OF THE REQUIRED REPORTING.

9

10 NEW SECTION. SECTION 3. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE JULY 1, 2001.

11

12 NEW SECTION. Section 4. Termination. [This act] terminates December 31, 2004.

13

- END -